

REQUIRED SUPPLEMENTARY INFORMATION



Schedule of Funding Progress Employee Retirement Systems and Plans

(amounts expressed in thousands)	Primary Government	-----Discretely Presented Component Units-----					
	SPRF	PERF - State	ECRF	JRS	PARF	LRS	TRF - Pre-1996 Account
Valuation Date: July 1, 2009							
Actuarial value of assets	\$ 356,056	*	*	*	*	*	*
Actuarial accrued liability (AAL)	453,688	*	*	*	*	*	*
Excess of assets over (unfunded) AAL	(97,632)	*	*	*	*	*	*
Funded ratio	78%	*	*	*	*	*	*
Covered payroll	68,283	*	*	*	*	*	*
Excess (unfunded) AAL as a percentage of covered payroll	-143%	*	*	*	*	*	*
Valuation Date: July 1, 2008							
Actuarial value of assets	\$ 386,873	\$ 2,469,432	\$ 65,375	\$ 234,881	\$ 26,350	\$ 5,120	\$ 5,953,991
Actuarial accrued liability (AAL)	438,460	2,513,791	77,177	338,749	38,069	5,039	15,792,305
Excess of assets over (unfunded) AAL	(51,587)	(44,359)	(11,802)	(103,868)	(11,719)	81	(9,838,314)
Funded ratio	88%	98%	85%	69%	69%	102%	38%
Covered payroll	65,421	1,661,248	21,333	33,729	20,617	**	2,295,816
Excess (unfunded) AAL as a percentage of covered payroll	-79%	-3%	-55%	-308%	-57%	**	-429%
Valuation Date: July 1, 2007							
Actuarial value of assets	\$ 371,918	\$ 2,350,652	\$ 57,414	\$ 211,747	\$ 23,815	\$ 5,035	\$ 5,763,508
Actuarial accrued liability (AAL)	413,969	2,335,082	74,451	283,995	32,052	5,169	15,988,259
Excess of assets over (unfunded) AAL	(42,051)	15,570	(17,037)	(72,248)	(8,237)	(134)	(10,224,751)
Funded ratio	90%	101%	77%	75%	74%	97%	36%
Covered payroll	59,863	1,573,566	17,715	29,712	18,092	**	2,376,390
Excess (unfunded) AAL as a percentage of covered payroll	-70%	1%	-96%	-243%	-46%	**	-430%
Valuation Date: July 1, 2006							
Actuarial value of assets	\$ 339,122	\$ 2,169,619	\$ 48,496	\$ 178,276	\$ 20,053	\$ 4,721	\$ 5,477,221
Actuarial accrued liability (AAL)	392,810	2,210,377	64,765	272,997	29,184	5,232	15,002,471
Excess of assets over (unfunded) AAL	(53,688)	(40,758)	(16,269)	(94,721)	(9,131)	(511)	(9,525,250)
Funded ratio	86%	98%	75%	65%	69%	90%	37%
Covered payroll	54,156	1,592,207	14,892	34,065	19,225	**	2,237,380
Excess (unfunded) AAL as a percentage of covered payroll	-99%	-3%	-109%	-278%	-47%	**	-426%
SPRF - State Police Retirement Fund PERF - Public Employees' Retirement Fund ECRF - Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Fund (Administered by the PERF board of trustees) JRS - Judges' Retirement System (Administered by the PERF board of trustees) PARF - Prosecuting Attorneys' Retirement Fund (Administered by the PERF board of trustees) LRS - Legislators' Retirement System (Administered by the PERF board of trustees) TRF - Teachers' Retirement Fund							
* Information not available							
** The benefit formula is determined based on service rather than compensation. July 1, 2008: The unfunded liability is expressed per active participant and there were 34 active participants. The funding excess per active participant was (\$2,378); July 1, 2007: The unfunded liability is expressed per active participant and there were 43 active participants. The unfunded liability per active participant was \$3,117; July 1, 2006: The unfunded liability is expressed per active participant and there were 46 active participants. The unfunded liability per active participant was \$11,106.							

Schedule of Funding Progress Other Postemployment Benefits

(dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b- a)/c)
State Personnel Healthcare Plan						
6/30/2008 *	\$ -	\$ 67,405	\$ 67,405	0.0%	N/A	N/A
6/30/2007 *	\$ -	\$ 62,190	\$ 62,190	0.0%	\$ 1,130,900	5.5%
Legislature's Healthcare Plan						
6/30/2008 *	\$ -	\$ 8,009	\$ 8,009	0.0%	N/A	N/A
6/30/2007 *	\$ -	\$ 7,950	\$ 7,950	0.0%	N/A	N/A
Indiana State Police Healthcare Plan						
6/30/2008 *	\$ -	\$ 341,923	\$ 341,923	0.0%	N/A	N/A
6/30/2007 *	\$ -	\$ 329,292	\$ 329,292	0.0%	N/A	N/A
Conservation and Excise Police Healthcare Plan						
6/30/2008 *	\$ -	\$ 45,308	\$ 45,308	0.0%	N/A	N/A
6/30/2007 *	\$ -	\$ 42,836	\$ 42,836	0.0%	\$ 12,900	332.1%

* The standard requires three years of information for this schedule. An additional year of information will be added next year and then it will be the current and two preceding years going forward.

Schedule of Employer Contributions Other Postemployment Benefits

(dollar amounts in thousands)

Year Ended June 30	State Personnel Healthcare Plan		Legislature's Healthcare Plan		Indiana State Police Healthcare Plan		Conservation and Excise Police Healthcare Plan		Retiree Health Benefit Trust Fund	
	Required Contribution	Percentage Contributed	Required Contribution	Percentage Contributed	Required Contribution	Percentage Contributed	Required Contribution	Percentage Contributed	Required Contribution	Percentage Contributed
2009	\$ 7,716	23.3%	497	60.6%	\$ 35,271	22.4%	\$ 4,178	23.5%	\$ 67,213	100.0%
2008	7,231	22.6%	492	56.1%	34,275	21.6%	3,965	22.7%	56,113	100.0%

Budgetary Information

The Governor submits a budget biennially to be adopted by the General Assembly for the ensuing two-year period. The budget covers the general fund and most special revenue funds, but excludes the Armory Board and the Recreation funds at State institutions. The General Assembly enacts the budget through passage of specific appropriations, the sum of which may not exceed estimated revenues. Appropriations for programs funded from special revenue funds may allow expenditures in excess of original appropriations to the extent that revenues collected exceed estimated revenues.

The original budget is composed of the budget bill and continuing appropriations. The budget bill is enacted as the Appropriations Act that the Governor may veto, subject to legislative override. Continuing appropriations report budgeted expenditures as equal to the amount of revenues received during the year plus any balances carried forward from the previous year as determined by statute. Except as specifically provided by statute, appropriations or any part thereof remaining unexpended and unencumbered at the close of any fiscal year will lapse and be returned to the fund from which it was appropriated.

The final budget is composed of budgeted amounts as adopted and as amended by supplemental appropriations or appropriation transfers that were necessary during the current year. The State Board of Finance, which consists of the Governor, Auditor of State and Treasurer of State, is empowered to transfer appropriations from one fund of the State to another, with the exception of trust funds. The State Budget Agency may transfer, assign, and reassign almost any appropriation, except those restricted by law; but only when the uses and purposes of the funds concur. Excess general fund revenue is used to cover non-budgeted recurring expenditures and overdrafts of budgeted amounts at the end of the current year. Capital appropriations are initially posted to general government. As projects are approved by the State Budget Committee the appropriations are transferred to the function of government from which they are disbursed. In addition, expenditures under many federal grants are required to be spent before they are reimbursed by the federal government. These actions are considered supplemental appropriations; therefore, expenditures do not exceed appropriations for individual funds.

The legal level of budgetary control (the level on which expenditures may not legally exceed appropriations) is maintained at the fund level by the State Budget Agency. When budgets are submitted for each fund center, certain recurring expenditures are not budgeted (medical service payments, unemployment benefits, tort claims) according to instructions from the State Budget Agency to the various agencies. The Budget Agency monitors all fund centers regularly in addition to monitoring excess general fund revenue that will be available at the end of the fiscal year to cover the non-budgeted, recurring expenditures.

State of Indiana
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
(Budgetary Basis)
For the Year Ended June 30, 2009
(amounts expressed in thousands)

	General Fund			Variance to Final Budget
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes:				
Income	\$ 5,190,007	\$ 5,190,007	\$ 5,130,651	\$ (59,356)
Sales	2,889,816	2,889,816	6,083,032	3,193,216
Fuels	-	-	-	-
Gaming	5	5	82,507	82,502
Inheritance	147,500	147,500	185,661	38,161
Alcohol and tobacco	323,574	323,574	335,379	11,805
Insurance	177,200	177,200	187,410	10,210
Other	15	15	228,934	228,919
Total taxes	8,728,117	8,728,117	12,233,574	3,505,457
Current service charges	171,798	171,798	181,155	9,357
Investment income	130,600	130,600	76,696	(53,904)
Sales/rents	3,395	3,395	1,804	(1,591)
Grants	-	-	11,242	11,242
Other	36,523	36,523	39,312	2,789
Total revenues	9,070,433	9,070,433	12,543,783	3,473,350
Expenditures:				
Current:				
General government	2,507,243	2,038,911	2,016,846	22,065
Public safety	724,573	708,447	705,937	2,510
Health	92,096	68,975	68,671	304
Welfare	2,900,392	310,811	302,992	7,819
Conservation, culture and development	116,450	117,082	88,990	28,092
Education	8,072,892	7,232,226	7,223,360	8,866
Transportation	500	3,285	2,166	1,119
Other	-	3	3	-
Total expenditures	14,414,146	10,479,740	10,408,965	70,775
Excess of revenues over (under) expenditures	(5,343,713)	(1,409,307)	2,134,818	(3,544,125)
Other financing sources (uses):				
Total other financing sources (uses)	(3,121,696)	(3,121,696)	(3,121,696)	-
Net change in fund balances	\$ (8,465,409)	\$ (4,531,003)	\$ (986,878)	\$ 3,544,125
Fund balances July 1, as restated			\$ 1,999,480	
Fund balances June 30			\$ 1,012,602	

Motor Vehicle Highway Fund				Medicaid Assistance			
Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
313,313	313,313	444,588	131,275	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
173,846	173,846	-	(173,846)	-	-	-	-
487,159	487,159	444,588	(42,571)	-	-	-	-
135,092	135,092	122,032	(13,060)	-	-	-	-
-	-	-	-	86	86	-	(86)
5	5	7	2	-	-	-	-
12,883	12,883	17,494	4,611	4,099,270	4,099,270	3,655,521	(443,749)
35,152	35,152	30,070	(5,082)	554,292	554,292	143,397	(410,895)
670,291	670,291	614,191	(56,100)	4,653,648	4,653,648	3,798,918	(854,730)
12,847	278,565	278,565	-	-	23	-	23
210,826	214,888	214,888	-	-	-	-	-
-	110	110	-	-	-	-	-
-	-	-	-	-	5,702,380	5,280,154	422,226
-	-	-	-	-	-	-	-
273	266	266	-	-	-	-	-
-	2,291	2,291	-	-	-	-	-
-	-	-	-	-	-	-	-
223,946	496,120	496,120	-	-	5,702,403	5,280,154	422,249
446,345	174,171	118,071	56,100	4,653,648	(1,048,755)	(1,481,236)	432,481
(124,878)	(124,878)	(124,878)	-	1,491,116	1,491,116	1,491,116	-
<u>\$ 321,467</u>	<u>\$ 49,293</u>	<u>\$ (6,807)</u>	<u>\$ (56,100)</u>	<u>\$ 6,144,764</u>	<u>\$ 442,361</u>	<u>\$ 9,880</u>	<u>\$ (432,481)</u>
		50,872				\$ 70,883	
		<u>\$ 44,065</u>				<u>\$ 80,763</u>	

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State of Indiana
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
(Budgetary Basis)
For the Year Ended June 30, 2009
(amounts expressed in thousands)

	Major Moves Construction Fund			Variance to Final Budget
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes:				
Income	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Fuels	-	-	-	-
Gaming	-	-	-	-
Inheritance	-	-	-	-
Alcohol and tobacco	-	-	-	-
Insurance	-	-	-	-
Other	-	-	-	-
Total taxes	-	-	-	-
Current service charges	-	-	-	-
Investment income	150,784	150,784	108,843	(41,941)
Sales/rents	-	-	-	-
Grants	-	-	-	-
Other	-	-	-	-
Total revenues	150,784	150,784	108,843	(41,941)
Expenditures:				
Current:				
General government	611,000	43	-	43
Public safety	-	-	-	-
Health	-	-	-	-
Welfare	-	-	-	-
Conservation, culture and development	-	-	-	-
Education	-	-	-	-
Transportation	-	10,209	10,209	-
Other	-	-	-	-
Total expenditures	611,000	10,252	10,209	43
Excess of revenues over (under) expenditures	(460,216)	140,532	98,634	41,898
Other financing sources (uses):				
Total other financing sources (uses)	(399,000)	(399,000)	(399,000)	-
Net change in fund balances	\$ (859,216)	\$ (258,468)	\$ (300,366)	\$ (41,898)
Fund balances July 1, as restated			\$ 2,609,326	
Fund balances June 30			\$ 2,308,960	

State Highway Department				Property Tax Replacement Fund			
Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	2,298,424	2,298,424	-	(2,298,424)
1	1	3	2	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1</u>	<u>1</u>	<u>3</u>	<u>2</u>	<u>2,298,424</u>	<u>2,298,424</u>	<u>-</u>	<u>(2,298,424)</u>
5,710	5,710	1,421	(4,289)	-	-	-	-
379	379	201	(178)	-	-	-	-
1,532	1,532	2,239	707	-	-	-	-
683,227	683,227	945,876	262,649	-	-	-	-
85,766	85,766	89,212	3,446	-	-	-	-
<u>776,615</u>	<u>776,615</u>	<u>1,038,952</u>	<u>262,337</u>	<u>2,298,424</u>	<u>2,298,424</u>	<u>-</u>	<u>(2,298,424)</u>
-	1,053	1,053	-	-	1,020,134	1,020,134	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,057,776	1,997,678	1,844,218	153,460	-	-	-	-
-	-	-	-	-	-	-	-
<u>2,057,776</u>	<u>1,998,731</u>	<u>1,845,271</u>	<u>153,460</u>	<u>-</u>	<u>1,020,134</u>	<u>1,020,134</u>	<u>-</u>
(1,281,161)	(1,222,116)	(806,319)	(415,797)	2,298,424	1,278,290	(1,020,134)	2,298,424
<u>820,373</u>	<u>820,373</u>	<u>820,373</u>	<u>-</u>	<u>1,020,134</u>	<u>1,020,134</u>	<u>1,020,134</u>	<u>-</u>
<u>\$ (460,788)</u>	<u>\$ (401,743)</u>	<u>\$ 14,054</u>	<u>\$ 415,797</u>	<u>\$ 3,318,558</u>	<u>\$ 2,298,424</u>	<u>\$ -</u>	<u>\$ (2,298,424)</u>
		<u>\$ 170,241</u>				<u>\$ -</u>	
		<u>\$ 184,295</u>				<u>\$ -</u>	

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State of Indiana
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
(Budgetary Basis)
For the Year Ended June 30, 2009
(amounts expressed in thousands)

	ARRA of 2009 Fund			Variance to Final Budget
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes:				
Income	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Fuels	-	-	-	-
Gaming	-	-	-	-
Inheritance	-	-	-	-
Alcohol and tobacco	-	-	-	-
Insurance	-	-	-	-
Other	-	-	-	-
Total taxes	-	-	-	-
Current service charges	-	-	-	-
Investment income	-	-	-	-
Sales/rents	-	-	-	-
Grants	-	-	955,414	955,414
Other	-	-	-	-
Total revenues	-	-	955,414	955,414
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Health	-	-	-	-
Welfare	-	392,831	392,831	-
Conservation, culture and development	-	1,629	2,390	(761)
Education	-	543,959	543,959	-
Transportation	-	9,521	9,521	-
Other	-	-	-	-
Total expenditures	-	947,940	948,701	(761)
Excess of revenues over (under) expenditures	-	(947,940)	6,713	(954,653)
Other financing sources (uses):				
Total other financing sources (uses)	(6)	(6)	(6)	-
Net change in fund balances	<u>\$ (6)</u>	<u>\$ (947,946)</u>	<u>\$ 6,707</u>	<u>\$ 954,653</u>
Fund balances July 1, as restated			<u>\$ -</u>	
Fund balances June 30			<u>\$ 6,707</u>	

Budget/GAAP Reconciliation Major Funds

The cash basis of accounting (budgetary basis) is applied to each budget. The budgetary basis differs from GAAP. The major differences between budgetary (non-GAAP) basis and GAAP basis are:

(amounts expressed in thousands)	GENERAL FUND	MOTOR VEHICLE HIGHWAY FUND	MEDICAID ASSISTANCE FUND	MAJOR MOVES CONSTRUCTION FUND	STATE HIGHWAY DEPARTMENT	PROPERTY TAX RELIEF FUND	ARRA OF 2009 FUND	Total
Net change in fund balances (budgetary basis)	\$ (986,878)	\$ (6,807)	\$ 9,880	\$ (300,366)	\$ 14,054	\$ -	\$ 6,707	\$ (1,263,411)
Adjustments necessary to convert the results of operations on a budgetary basis to a GAAP basis are:								
Revenues are recorded when earned (GAAP) as opposed to when cash is received (budgetary)	(138,598)	496	56,788	(6,963)	24,926	-	41,200	(22,152)
Expenditures are recorded when the liability is incurred (GAAP) as opposed to when payment is made (budgetary)	(141,547)	8,675	(82,609)	(4,496)	(8,237)	(0)	(36,343)	(264,558)
Net change in fund balances (GAAP basis)	\$ (1,267,023)	\$ 2,363	\$ (15,942)	\$ (311,825)	\$ 30,742	\$ (0)	\$ 11,564	\$ (1,550,121)

Infrastructure - Modified Reporting Condition Rating of the State's Highways and Bridges

Roads	Average Pavement Quality Index (PQI)		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Interstate Roads (including Rest Areas and Weigh Stations)	85%	84%	83%
NHS Roads - Non-Interstate (including Rest Areas and Weigh Stations)	88%	83%	82%
Non-NHS Roads	84%	79%	79%

The condition of road pavement is measured using a pavement quality index (PQI), which is based on a weighted average of three distress factors found in pavement surfaces. The PQI uses a measurement scale that is based on a condition index ranging from zero for a failed pavement to 100 for a pavement in perfect condition. The condition index is used to classify roads in excellent condition (90-100), good condition (80-89), fair condition (70-79), and poor condition (less than 70).

It is the State's policy to maintain Interstate and NHS Non-Interstate roads at an average PQI of 75 and Non-NHS roads at an average PQI of 65. Condition assessments are determined on an annual basis for Interstates and on a biennial basis for other roads. The ratings provided are based on data gathered during the summer (July and August) of the corresponding fiscal year. The data are evaluated and compared to standard criteria by the end of the fiscal year.

Bridges	Average Sufficiency Rating		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Interstate Bridges	90.6%	88.9%	90.4%
NHS Bridges - Non-Interstate	90.6%	89.6%	90.4%
Non-NHS Bridges	88.7%	87.4%	88.3%

The condition of the State's bridges is measured based on a sufficiency rating, which is based on a weighted average of four factors indicative of a bridge's sufficiency to remain in service. The sufficiency rating uses a measurement scale that ranges from zero for an entirely insufficient or deficient bridge to 100 for an entirely sufficient bridge. The sufficiency rating is used to classify bridges in excellent condition (90-100), good condition (80-89), fair condition (70-79), marginal condition (60-69), and poor condition (below 60). It is the State's policy to maintain Interstate bridges at a minimum sufficiency rating of 87%, NHS Non-Interstate bridges at 85%, and Non-NHS bridges at 83%. Sufficiency ratings are determined at least on a biennial basis for all bridges. Sufficiency ratings are determined more frequently for certain bridges depending on their design.

Infrastructure - Modified Reporting
Comparison of Needed-to-Actual Maintenance/Preservation
(dollars in thousands)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Roads					
Interstate Roads (including Rest Areas and Weigh Stations):					
Needed	\$ 263,764	\$ 120,147	\$ 212,485	\$ 105,267	\$ 151,999
Actual	246,089	256,482	248,803	126,361	140,667
NHS and Non-NHS Roads - Non-Interstate (including Rest Areas and Weigh Stations)					
Needed	391,641	419,001	145,720	234,789	230,453
Actual	571,000	374,770	297,223	413,557	376,969
Roads at State Institutions and Properties					
Needed	1,734	1,225	2,529	1,173	2,903
Actual	4,884	3,146	3,069	4,496	5,595
Total					
Needed	657,139	540,373	360,734	341,229	385,355
Actual	821,973	634,398	549,095	544,414	523,231
Bridges					
Interstate Bridges					
Needed	\$ 82,668	\$ 34,723	\$ 37,157	\$ 5,749	\$ 39,166
Actual	37,931	43,904	37,070	29,520	23,863
NHS Bridges - Non-Interstate					
Needed	24,438	4,695	10,220	31,943	2,021
Actual	7,794	13,568	14,154	11,459	1,282
Non-NHS Bridges					
Needed	48,214	26,694	31,549	44,859	32,597
Actual	39,707	34,138	35,118	31,145	61,271
Bridges at State Institutions and Properties					
Needed	-	-	-	-	164
Actual	253	3	-	-	796
Total					
Needed	155,320	66,112	78,926	82,551	73,948
Actual	85,685	91,613	86,342	72,124	87,212

Data provided by Comparative Report of Preservation Costs

